
CITY OF CHATTANOOGA REQUEST FOR PROPOSALS (RFP) TO PRODUCE AND PRESERVE AFFORDABLE HOUSING

Through this Request for Proposals (RFP) the City of Chattanooga's Department of Economic and Community Development (ECD) is seeking partners to assist in increasing the supply of decent and affordable housing for City residents. ECD desires responses from partners that offer creative ways of improving both the housing stock in the City of Chattanooga and the neighborhoods in which the housing is located. Eligible applicants can be for-profit or non-profit entities.

ECD is seeking to leverage City HOME Investment Partnership (HOME) funds with local resources to expand the availability of affordable housing through production and preservation. ECD has established priorities for housing that include reconstruction or rehabilitation of existing single and multifamily housing properties (for rental), new rental housing development and homeownership housing development. Housing may be for the general low/moderated income population or for special needs populations (homeless, seniors, veterans, disabled). All activities funded must be within the Chattanooga City limits.

Available funds are estimated to range from \$650,000 to \$1 million dollars. The level of available funds remains fluid as sources include current year federal allocations and funds reallocated from stalled projects. As a policy, the City desires to provide enough funding to each approved transaction to increase the availability of affordable units, or substantially improve the quality of existing units, without over-subsidizing (enriching) the development or increasing the risk associated with over-leveraging the development. The City reserves the right to determine award and financing terms based on the financial evaluation of the project in tandem with the program requirements and availability of funds.

Leveraging of the City funds is key to the ultimate success of these projects. By federal regulation, the City may not invest more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable through the affordability period. The City funds will only be provided as gap financing that is not otherwise available from other sources. No project will be funded 100% by the City. Applicants must demonstrate that they have or will structure projects to maximize other available financing sources thereby limiting City funding to the lowest amount necessary to assure project feasibility and demonstrate that rent proceeds or other funding sources will allow for adequate reserves to meet capital needs for the length of the affordability period for the project.

Applicants should make a specific request to the City. The request should represent the **gap** between (a) the total project costs and (b) the Applicant's equity plus commercially available debt, other grants, tax credits, and capital contributions.

ECD will underwrite all requests to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity, and the commitment of other funding.

This RFP will be conducted as an open application cycle with the pool of responses being reviewed and considered for funding at the end of set deadline. Proposals for eligible activities may be submitted at any time and will be considered for funding as long as; funds are available; the project meets all program requirements and; the proposal achieves an acceptable score. Eligible proposals will be accepted and reviewed according to the following schedule:

Application Workshop	RFP Due Date	RFP(s) Reviewed	RFP Awards Made	Required Project Start by Date
May 16, 2016	June 15, 2016	June 17 – 24, 2016	July 12, 2016	August 15, 2016

HOW TO APPLY

1. REVIEW INFORMATION

Carefully review application materials and program requirements. An electronic version of the application and requirements are available <http://www.chattanooga.gov/communitydevelopment> . Included are:

- I. Project Questionnaire
- II. Program Descriptions and Guidelines
- III. Application
- IV. Excel-based Development Proposal Template
- V. HUD Rents and Income Limits
- VI. Utility Allowances

2. COMPLETE "IS YOUR PROJECT COMPATIBLE WITH HOME FUNDING?" QUESTIONNAIRE (Preliminary Assessment)

3. CONTACT ECD STAFF TO PRELIMINARILY DISCUSS PROPOSED PROJECT

To ensure that applicants do not waste time completing and submitting proposals for projects that cannot be considered because they are ineligible or unfeasible, ECD staff would like to provide applicants the opportunity to discuss the proposed project and provide a preliminary assessment. Information in the Project Questionnaire will provide the bases for the preliminary assessment. For information, or to discuss your proposal, contact Countess Jenkins: (Phone) 643-7333, (Email) Cjenkins@chattanooga.gov or Regina Partap: (Phone) 643-7335, (Email) Rpartap@chattanooga.gov.

4. ATTEND APPLICATION WORKSHOP

Applicants are strongly encouraged to attend the Application Workshop on May 16, 2016. Material presented in the workshop not only includes guidance on completing the application and related materials, but also covers immediate and long-term regulations and requirements associated with the federal funds. **The technical assistance meeting will be held on Monday, May 16th, 2016, from 8:30am to 11:30pm, in the Veranda Room at 101 E 11th Street, 3rd Floor, City Hall.**

5 SUBMIT A COMPLETED APPLICATION AND ATTACHMENTS

Complete Application (including checklist) and Development Proposal Template. Make sure that all required attachments are included with the application.

Submit one (1) original hard copy and one electronic version of the complete Application, the Development Proposal Template (pro forma) and all required attachments to:

City of Chattanooga
Department of Economic & Community Development
Attn: Countess Jenkins
101 E. 11th Street, Suite 200
Chattanooga, TN 37402
Electronic version: Cjenkins@chattanooga.gov